GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:410
ANSWERED ON:25.07.2000
CONSTRUCTION OF INTEGRATED WORKSHOP COMPLEX
RAVINDRA KUMAR PANDEY

Will the Minister of COAL be pleased to state:

(a) whether the approval of the Government for the construction of an integrated workshop complex in 1991 for the reorganisation of Kathara Opencast Project under the Central Coal-fields Ltd. was not taken;

(b) if so, whether the works had been started without the approval of the Government;

(c) if so, the estimated cost of the said project and the amount spent on the project;

(d) whether it is also a fact that due to non-approval of the said project Rs.1.80 crore of the mobilised fund of CCL remained blocked for more than four years;

(e) if so, the total amount misused in the said project; and

(f) the action taken / proposed to be taken against the officials for launching the project without approval and also for the misuse of funds?

Answer

THE MINISTER OF STATE FOR COAL (SHRI N. T. SHANMUGAM)

(a) The scheme for regional base workshop at Kathara was approved by the Board of Directors, CCL at its 262nd meeting heldon 20.7.1993 at a contract value of Rs.12.05 crores. Since the total value of the scheme was only Rs.12.05 crore which was well within the delegated powers of the CCL Board, no separate approval either from CIL or from Government was required.

(b) The work started with due approval of competent authority i.e. CCL Board of Directors.

(c) The work was awarded at a cost of Rs.12.05 crore. The amount spent right from the beginning till the end of the project is as under:

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(i)  Payment  for drawings & Design -    Rs.27.56 lakh.
(ii) Mobilisation advance -     Rs.120.50 lakh
 Total -   Rs.148.06 lakh
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Apart from above an amount of Rs.52.13 lakhs has also been spent on construction of boundary wall which is not a wasteful expenditure as huge chunk of land of CCL has been saved from unauthorised occupation which can be utilised in future.

(d) It is not a fact that due to non-approval of the said project Rs.1.80 crore of the mobilised fund of CCL remained blocked for more than four years.
As already stated vide to part(a) above, the scheme had been duly approved for a contract value of Rs.12.05 crore. A mobilisation fund of Rs.1.20 crore was given by CCL to the contractors (M/s. Braithwaite & Co.,A PSU of Government of India) against a bank guarantee for the same amount from them. This is besides taking a security deposit of Rs.0.60 crore from them in the form of another bank guarantee.

Having terminated this contract due to very poor progress of work CCL contemplated to realise Rs.1.20crore (Mobilisation fund + Rs.0.60 crores (Security) i.e. a total of Rs.1.80 crore from the party, but could not succeed as the party obtained an injunction against this from Alipore Court, Calcutta.

Thus the matter is sub judice.

(e) This cannot be quantified at this stage, since the matter is sub judice. However, some of the structural steel available at the site are proposed to be utilised in Jharkhand workshop for which N.I.T. has been floated and drawings are under preparation.

(f) Question does not arise.